

WAC 458-20-191 FEDERAL RESERVATIONS.

The state of Washington has jurisdiction and authority to levy and collect taxes under the provisions of the Revenue Act of 1935, as amended, upon persons residing within, or with respect to business transactions conducted upon federal reservations: PROVIDED HOWEVER, That no tax may be levied upon or collected from the United States, its departments, institutions and instrumentalities or from any authorized purchaser therefrom. (See WAC 458-20-190.)

A concessionaire, operating within a federal area under a grant or permit issued by the United States or by a department or instrumentality thereof, is not exempt from state excise taxes, but is taxable to the same extent as any private operator engaging in a similar business outside a federal area and without specific authority from the United States.

The term "federal reservation," as used herein, means any land or premises within the exterior boundaries of the state of Washington which are held or acquired by and for the use of the United States, its departments, institutions or instrumentalities.

BUSINESS AND OCCUPATION TAX

RETAILING AND WHOLESALING. Persons making retail or wholesale sales to persons residing within or conducting business upon federal reservations are taxable upon gross proceeds of sales under the retailing or wholesaling classification.

With respect to the tax liability of sales to the United States, its departments, institutions or instrumentalities under these classifications, see WAC 458- 20-190.

SERVICE AND OTHER BUSINESS ACTIVITIES. Persons performing services within federal reservations are taxable under the service and other business activities classification upon the gross income derived therefrom, irrespective of the fact that such services are rendered for the United States, its departments, institutions or instrumentalities, or for military personnel.

RETAIL SALES TAX

The retail sales tax applies to all retail sales made to or by persons residing within or conducting business upon federal reservations, excepting sales made to the United States, and also excepting sales made by the United States or an instrumentality thereof to authorized purchasers.

The retail sales tax applies upon retail sales made by concessionaires to military personnel and others.

USE TAX

Persons residing within or conducting business upon federal reservations who produce or manufacture tangible personal property for commercial use or who purchase tangible personal property under conditions wherein the Washington retail sales tax has not been paid are subject to the provisions of the use tax.

The use tax does not apply to the use of property by the United States or any instrumentality thereof nor to the use of property sold by the United States or any instrumentality thereof to any authorized purchaser for use in such reservation. The term "authorized purchaser," as used herein, means and includes those persons who are permitted to purchase from voluntary unincorporated organizations of military personnel operating exclusively within federal reservations and authorized by the Secretary of Defense.

CIGARETTE TAX

Washington cigarette tax stamps must be affixed to all cigarettes sold to persons residing within or conducting

business upon federal reservations: PROVIDED HOWEVER, That such stamps need not be affixed to cigarettes sold to the United States or any instrumentality thereof including voluntary organizations of military personnel authorized by the Secretary of Defense or the Secretary of the Navy or by the United States or any instrumentality thereof to authorized purchasers, for use in such reservation.

[Statutory Authority: RCW 82.32.300. 83-07-033 (Order ET 83-16), '458-20-191, filed 3/15/83; Order ET 75-1, '458- 20-191, filed 5/2/75; Order ET 70-3, '458-20-191 (Rule 191), filed 5/29/70, effective 7/1/70.]